



State of Utah

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Office of the Governor
PUBLIC LANDS POLICY COORDINATING OFFICE

KATHLEEN CLARKE
Director

April 10, 2017

Sent via fax: (801)539-4237

Kent Hoffman
Deputy State Director
Division of Lands and Minerals
Bureau of Land Management, Utah State Office
Utah State Office
440 West 200 South, Suite 500
Salt Lake City, UT 84101

Subject: Objection to the NSO stipulations included in the June 2017 Competitive Oil and Gas Lease Sale - DOI-BLM-UT-C020-2017-0001-EA

Dear Mr. Hoffman:

The State of Utah appreciated the opportunity to review and comment on the June 2017 Competitive Oil and Gas Lease Sale Environmental Assessment (EA). The sale of twenty parcels together comprise approximately 23,733 acres of public land located in Garfield, Piute, Sanpete, and Sevier Counties. In its comment letter dated February 10, 2017 the State notified the BLM that the no surface occupancy (NSO) stipulations on 9 of the parcels would "sterilize" the parcels from oil and gas development.

Despite the NSO stipulations, the State supported Alternative A (the Proposed Action) but asked the BLM to alter the NSO stipulations in order to increase the feasibility of development on the 9 NSO parcels. The State recently reviewed the Notice of Competitive Oil and Gas Lease Sale and the accompanying June 2017 Final Oil and Gas Lease Sale List. We are surprised and disappointed that 9 of the 20 parcels included in the lease sale continue to be completely restricted by NSO stipulations. The State supports the competitive Oil and Gas Lease Sale but objects to the no-surface occupancy (NSO) stipulations attached to these parcels.

Directional Drilling does not Allow Extraction from NSO Parcels

The EA for the Competitive Oil and Gas Lease Sale sets forth the expected lease of twenty parcels, nine of which are proposed to be leased under a complete NSO designation due to their proximity to priority sage grouse habitat. The EA provides inadequate analysis

for these nine parcels. This includes parcels 007, 008, 017, 018, 019, 020, 023, 024, and 025. In Section 2.2 of the EA, the BLM discusses its assumption that putting one well-pad on each of the eleven non-NSO parcels would allow adequate access to resources within the NSO parcels. DOGM considers this an improper assumption.

The State is concerned with BLM's over reliance on the use of directional drilling in the EA. While directional drilling can allow extraction under parcels that have no surface disturbance, such extraction is limited or negated at long distances. Map 3 on page 70 of the EA shows that the nine NSO parcels would require access from well-pads at distances of upwards of 2 or 3 miles. These distances do not allow horizontal extraction for the NSO parcels; therefore, these parcels are rendered as the equivalent of non-leased lands.

Additional technical analysis must be completed to identify the accessibility of resources in the nine NSO-designated parcels. The State would like once again to offer its petroleum engineers, geologists, and Division of Oil, Gas and Mining along with the Utah Geologic Survey as resources that will be made available to the BLM upon request. These resources could provide the technical background necessary to utilize the parcels with as little ground disturbance as possible.

BLM has the Authority to Lease the Parcels without NSO Stipulations

The Utah Greater Sage-Grouse Approved Resource Management Plan Amendment allows priority habitat management area (PHMA) parcels to be leased without NSO stipulations under certain circumstances. If the proposed action "does not have direct, indirect or cumulative effects on GRSG or its habitat" then the authorized officer may lease the parcels with some surface disturbance. (See section 2.6). Nine of the 20 parcels fall within PHMA and should be granted this exception because a variety of mitigation stipulations can be implemented to avoid negative effects that surface occupancy could have on sage-grouse.

The State recommends seasonal stipulations to avoid construction and vehicle noise disturbances during brood-rearing activities, and seasonal stipulations in the winter to reduce impacts to wintering sage-grouse. These should be implemented on these parcels rather than a complete bar to any surface occupancy. These are only a few of the tools that BLM has at its disposal to remedy potential negative biological effects without resorting to an action that unofficially defers 9 of 20 total leasing parcels. The State objects to the NSO stipulations and asks for a NSO exception under section 2.6 of the Utah Greater Sage-Grouse Approved Resource Management Plan Amendment.

To reiterate, the State does not want to impede the lease sale of any parcels but merely objects to the NSO stipulations that render 9 of these parcels useless for the intended purpose of the sale. The State strongly favors oil and gas leasing as an important addition to the Utah's economy. The State appreciates the opportunity to provide this additional

correspondence expressing our concerns regarding the lease sale. The best management of public lands will occur when the State and the BLM work cooperatively towards balanced development and preservation. Please contact the State's Public Lands Policy Coordinating Office at the address below, or call to discuss any questions or concerns.

Sincerely,



Kathleen Clarke
Director

cc: Sheri Wysong, Fluids Minerals Leasing Coordinator
Sent via electronic mail: swysong@blm.gov